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OIL, GAS & MINING Application for Bond Release

Operator/Permittee: Ziegler Chemical & Mineral Corp.

Mine/Project Name: Permit ID#: M/47/0013

Cowboy Bandana Mines
(Cottonwood Area)

ML 20779 = 120 acres

ML-19869 = 160 acres

Reason for Bond Release:

No mining, reclamation complete.

Amount of Existing Surety: \$7,500.00

Amount of Surety requested for release: \$7,500.00 Div. of Oil, Gas & Mining

Partial Release of a **portion*** of the mine site:

Partial Release of **entire** mine site:

(Backfilling and grading are completed)

Acres Regraded:
Acres:

Full Release of a *portion** of the mine site:

Acres to be released:

Specify Area:

Specify Area:

Full Release of entire mine site:

(Vegetation is established and has survived three growing seasons.)

Acres to be released:

280 acres total, 1.5 acres previously disturbed (reclaimed 20+ years ago).

*For a bond release on a portion of the mine site, submit an updated map removing the released area from the disturbed or bonded area.



Application for Bond Release

Reclamation practices must be completed in accordance with R647-2-109, or R647-3-109, or R647-4-111 as applicable.

| Of NO47-4-111 as applicable. | |
|---|-------------------------------|
| Have any shafts and tunnels been permanently sealed? | Yes X No |
| Disposal of debris & other materials incident to mining | Yes X No |
| Public safety notifications such as posted signs or fences/barriers above high walls | Yes X No |
| Drainages, reestablished & stable | Yes X No |
| Structures demolished and deleterious materials disposed of | Yes X No |
| Erosion Controlled | Yes X No |
| Slopes, waste piles, fills regraded | Yes X No . |
| Highwalls stabilized to an angle of 45° or less | Yes X No |
| Meets Post mining Land Use (Indicate Land use) | Yes X No |
| Roads and/or pads have been reclaimed | Yes X No |
| Dams, Impoundments, Ditches, Pits reclaimed | Yes No |
| Topsoil redistributed – amendments added | Yes X No |
| Vegetation meets 70% of the pre-mining cover? | Yes X No |
| Note: For Final Bond Release vegetation must meets 70% of premining cover and has survived three y year growing season to maintain small mine status. | rears for or has survived one |
| Plugging of boreholes | Yes X No |
| If Answer is Yes, please fill out page 3 of this form | |
| DESCRIPTION of RECLAMATION ACTIVITIES COMPLETED | |
| (Describe any variance(s) that have been granted, date activity completed) | |
| Reclamation bond released by Paul Baker in 2012 for ML-20 | |
| ML-19869 has expired and this land has since been leased American Gilsonite via ML-52802. | by |
| 32002. | |



Application for Bond Release

| Final Borehole | Plugging must be completed as applicable in accordance with R647-2-108, R647-3-108, R647-4-108, and R649-3-24 (for cased wells). Please report coordinates in UTM. To convert latitude and longitude coordinates please refer to http://www.latlong.net/lat-long-utm.html | | | | | | | |
|-------------------|---|----------|-----------------|---|-------|------------------|---------------------------------------|--|
| | UTM Zone 11 | Zone 12 | Date Drilled | Date Plugged | Water | Date Regraded | Date Seeded | |
| ID | EASTING | NORTHING | (mm/dd/yy) | (mm/dd/yy) | Y/N | (mm/dd/yy) | (mm/dd/yy | |
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I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments and obligations, herein.

| Chip Ziegler, President | My zigler PRESDENT, ZCMC |
|-------------------------|--------------------------|
| Print Name | Sign Name, Position |
| 732-752-4111 | November 18, 2015 |
| Phone No. | Date |

Return to:

Division of Oil, Gas and Mining 1594 West North Temple, Suite 1210 Box 145801 Salt Lake City, Utah 84114-5801 Phone: (801) 538-5291

| | FOR DOGM | USE ONLY: |
|-----------|-------------------|-----------|
| | File #: M/ | 1 |
| | Approved: | |
| Bond Adju | stment: from (\$) | |
| | to \$ | |